

Message Text

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53

ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00

AID-05 COME-00 TRSE-00 /034 W
----- 067563

R 011630Z DEC 76

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 5531

UNCLAS ALGIERS 2822

E.O. 11652: N/A

TAGS: EFIN, AG

SUBJECT: EXIM FINANCING FOR MERS EL HADJADJ POWER STATION

REF: STATE 280038

1. WE HAVE DISCUSSED EL HADJADJ POWER STATATION WITH
BELHOUS, IN CHARGE OF PRODUCTION PLANNING FOR SONELGAZ.

2. MERS EL HADJADJ POWER STATION FOR WHICH SONELGAZ NOW
SEEKING FINANCING AND ON WHICH WESTINGHOUSE (AND,
INCIDENTALLY, GENERAL ELECTRIC) IS TENDERING IS NOT
RELATED TO PROJECTED STEEL PLANT IN ORAN AREA. THIS
POWER STATION, OF THREE 150 TO 160 MW GAS OR OIL FIRED
UNITS, WOULD FEED INTO NATIONAL GRID. GRID WOULD NOT
SUPPLY STEEL PLANT, WHICH WILL HAVE OWN POWER FROM THE
750 MW PLANT (5 UNITS OF 150 MW) MENTIONED PARA 2 REFTTEL.
STEEL PLANT IS IN ANY CASE VERY FAR FROM REALIZATION.
SITE NOT YET CHOSEN AND GOA NOWHERE NEAR THE POINT OF
CALLING FOR TENDERS FOR THE 750 MW STATION.

3. GE REPS VISITED EMBASSY LAST MONTH AND SAID THEY
WERE TENDERING ON BOTH MERS EL HADJADJ AND JIJEL
BUT WERE PLANNING TO SUPPLY MOST OF THE MATERIALS
FROM THEIR CANADIAN PRODUCTION BECAUSE CANADA COULD
OFFER OFFICIAL EXPORT CREDIT WHICH EXIMBANK HAD REFUSED.

4. JIJEL PLANT WILL ALSO BE PART OF GRID BUT IN THIS
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CASE MUCH OF THE DEMAND DOES COMES FROM STEEL PLANT

(EL HADJAR, NEAR ANNABA), WHICH IS BEING EXPANDED AND WHICH DOES DRAW POWER FROM GRID.

5. SONELGAZ PROJECTS CAPACITY AT JUST OVER 2,000 MW IN 1980. CAPACITY IN 1985 BEING PLANNED TO MEET DEMAND THAT GREW AT RATE OF 11.5 PERCENT FROM 1966 TO PRESENT AND IS EXPECTED TO GROW AT 14 PERCENT TO 15 PERCENT TO 1985. LNG PLANTS IN ARZEW AND SKIKDA WILL DRAW THEIR POWER FROM GRID SO AT LEAST THAT PART OF DEMAND IS ENERGY RELATED AND EXPORT ORIENTED. PARKER

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